

Agricultural Situation

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NEW WHEAT GRADE STANDARDS TAKE EFFECT JUNE 1

Improved U.S. standards for grades of wheat, based on narrower ranges of quality for each grade, will become effective starting with this year's crop—June 1.

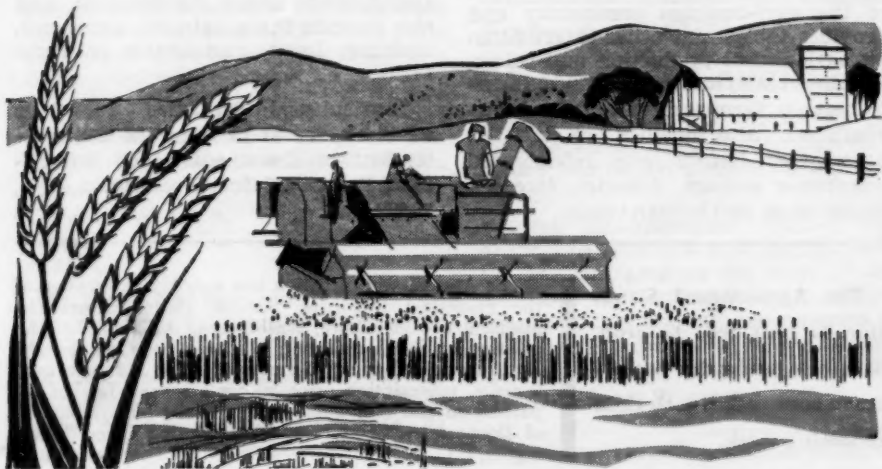
The revised standards should help sell U.S. wheat by better describing the quality of each shipment and by encouraging the marketing of a cleaner, more salable product.

In announcing the new standards, Secretary of Agriculture Orville Freeman said, "Present wheat grades per-

mit excessive amounts of nonmillable materials, a situation hardly designed to encourage the sale of U.S. wheat."

Although about half the production of U.S. wheat is exported—much of it under foreign aid programs—the U.S. share of world *dollar* markets for wheat declined in recent years. Between 1951 and 1961, our share dropped from 35 percent to less than 19 percent.

Broad tolerances in the grade standards have damaged the competitive position of our wheat in foreign mar-



kets. A survey team of European markets, said, "Whenever we met with representatives of the wheat trade, we heard complaints on the quality and cleanliness of U.S. wheat." They noted that prices were inadequate to offset this lower quality, and were therefore not competitive.

U.S. wheat will readily meet the new standards, so the proportions falling into the various grades will be about the same as before.

History of grain marketing shows that narrowing the quality range permitted within each grade, results in higher prices for each grade.

Here are some of the principal changes made from existing standards:

Maximum limits are set in grades 1 through 5 for "total defects"—a combination of damaged kernels, foreign material, and shrunken and broken kernels. Limits for shrunken and broken kernels are lowered. Minimum moisture content for wheat to be graded "tough" is reduced from 14 or 14.5 percent (depending on the class) to 13.5 percent for all classes.

"Dockage" is recorded in intervals of one-half percent and fractions other than one-half are rounded off to the next lower half or whole percent. Dockage consists of material that can be removed readily by cleaning. It's not a grade factor, but is recorded on grain inspection certificates. The change will show more specifically how much dockage a load of wheat contains.

While no change is made in the name "Western White Wheat," the percentages of white club and common white wheat in this subclass will be recorded on inspection certificates to give buyers a better indication of its quality and use.

A transition period will be provided after the June 1 effective date, when grain inspectors will—on request—show the grade of a lot of wheat under the old as well as the new standards.

Dale May
Agricultural Marketing Service

You can get the details of the revised standards by writing the Director, Grain Division, Agricultural Marketing Service, U.S. Department of Agriculture, Washington, D.C., 20250.

Agricultural Statistics, 1963

"Agricultural Statistics, 1963," an annual publication that shows the trends in American agriculture, is now available.

This publication covers many areas of the agri-business community and provides tables and other information on agricultural production and prices, supplies, costs, income, land use, farm-ownership, farmworkers, and food consumption. Also included are statistics on weather, freight rates, refrigerated warehouse storage, fisheries, forestry, world crops, and foreign trade.

This edition contains 14 new tables, among which are several on the expanding rural areas development program. These tables give the number of RAD committees, technical action panels, and projects under development, and also provide State data for assistance, training, loans, and grants in rural areas.

"Agricultural Statistics, 1963," is available for \$1.75 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402.

The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work.

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Poultry Inspection Act 5 Years Old



This year marks the fifth anniversary of mandatory inspection for wholesomeness of poultry and poultry products. Since 1959, processing plants doing business in interstate commerce have been required to operate under provisions of the Poultry Products Inspection Act.

USDA inspection, as indicated by this seal, assures consumers that poultry meat they buy was processed under sanitary conditions and is consistently safe and good to eat.

In addition to benefiting U.S. consumers, and those in many countries of the world, inspection also benefits many segments of the poultry and food industries—producers, processors, wholesalers, and others.

1963 HONEY OUTPUT SETS RECORD

Honey production joined the list of new records set in 1963. Last year the Nation's bee hives produced 299 million pounds of honey, 10 percent more than in 1962 and 9 percent more than the previous record, set in 1961.

The honey crop was valued at \$53,929,000—14 percent above the previous year and the highest since 1947. The average price received by producers was 18 cents per pound compared with 17.4 cents a year earlier.

Production of beeswax, 5,460,000 pounds, was 3 percent more than in 1962. At an average price of 44.3 cents per pound the wax was worth \$2,420,000 to producers.

The 10 leading honey producing States in order of production were California, Minnesota, Florida, Wisconsin, Idaho, New York, Iowa, Texas, South Dakota, and Ohio. These States produced 57 percent of the Nation's honey in 1963.

Production per colony, North Dakota led with 128 pounds, followed by South Dakota with 125 pounds. Other top producers were Montana with 116 pounds; Wisconsin, 105 pounds; Wyoming, 100 pounds; and Minnesota, 99 pounds.

Beekeepers had 62 million pounds of honey on hand for sale in mid-December compared with 64 million a year earlier and the average of 66 million pounds.

Prices for retail sales of extracted honey in 1963 averaged 27.2 cents per pound compared with 26.9 cents the previous year. Comb honey retail prices increased from 38.3 cents in 1962 to 39.9 in 1963.

David T. Mateyka
Statistical Reporting Service

Fats and Oils At Record Levels

Supplies of fats and oils during the 1963-64 marketing year are now at a record 16.9 billion pounds (in terms of oil).

Total disappearance should rise about 5 percent to a new high in 1964. Exports will account for most of the increase. An estimated 4.8 billion pounds of fats and oils are expected to move out to Japan and Europe for dollars and to other countries under the Food-for-Peace Program.

George W. Kromer
Economic Research Service

outlook



CITRUS

Prices of oranges are expected to continue relatively high during the first half of 1964 because of smaller total supplies and strong demand. Prices this spring probably will not rise as sharply as they did in 1963 because of an expected increase in the Florida Valencia crop. Prices for California oranges, as for Florida oranges, may not quite match the high levels of last year.

BROILERS

Production potential of the broiler industry expanded rapidly in 1963 and is still expanding. Similar buildups led to prolonged periods of low broiler prices in 1959 and 1961. The hatchery supply flock for January-June is forecast 5 to 10 percent larger than in 1963. Because it takes 3 months to move from hatching to marketable broiler, larger industry capacity may be a problem throughout most of 1964.

CATTLE

Cattle feeders reported intentions to market 6 percent more cattle and calves during the January-March period of 1964 than during the same period a year earlier and 1 percent more than in the last quarter of 1963. Slaughter of

grass-fed cattle in the first quarter will be somewhat above a year earlier, but not up as much as the slaughter of fed cattle. Little change is expected in cow slaughter. Total beef production in the first quarter of 1964 will therefore be about 5 to 7 percent more than a year earlier. First quarter prices may average slightly below the mid-January level of \$23 (Choice steers at Chicago), and supplies are large enough to prevent any strong price movement. Some further improvement in fed cattle prices this spring is likely because the bulk of the heavy weight cattle will have moved to slaughter. The number of heavy cattle on feed on April 1 of this year may be a little lower than on April 1, 1963.

TURKEYS

A somewhat more profitable year for most turkey producers in 1963 is prompting a moderately larger 1964 turkey crop. This is likely to occur despite 2 percent fewer turkey breeder hens than in 1963. The increase in turkeys raised per breeder is expected to be more than offsetting.

HOGS

Marketing of hogs will be lower in 1964 and hog prices are expected to respond and average higher than in



1963. Feed prices will probably average about the same as in 1963. The result is that hog producers likely will find 1964 a more profitable year than last year. The main source of slaughter hogs during the first half of this year will come from a June-November 1963 pig crop that was down 4 percent. If a 7-month lag is applied from the time pigs are born until they reach market weight, it is likely that slaughter supplies will drop below 1963 rates before the end of the first quarter. Hog slaughter in the second quarter of 1964 will probably average about 5 percent below the same quarter of 1963. The reduced slaughter will bring higher prices.

EGGS

Egg prices will probably average lower than in 1963—at least in the first half—because of significantly greater egg production. Compared with a year earlier, prices may be just the reverse of those in 1963—strengthening rather than weakening as the year progresses. However, producers will likely receive somewhat less for their eggs in 1964 than in 1963. Egg production will exceed the 1963 level, at least through next fall. Most of the increase is expected in the first half of the year. A higher rate of lay in the first quarter and a larger laying flock in the second are expected to account for most of the expansion.

1964 MARKS 50TH ANNIVERSARY OF USDA COLD STORAGE REPORTS

This year marks the 50th anniversary of the *Cold Storage Report*, which provides market information for everyone in the perishable food industry—all the way from the farmer to the local grocer.

The first report in 1914 surveyed only one commodity—apples. Today, stocks of 83 commodities are surveyed by the SRS in more than 3,000 warehouses around the country.

Larger stocks of fruits and vegetables are currently held in cold storage than any other product. Potatoes top the

list of vegetables; strawberries lead in storage weight for fruits.

The cold storage industry boomed in the past 50 years. Refrigerated storage capacity increased from 544 million cubic feet in 1921, when the first nationwide survey was made, to 1,024 million cubic feet in 1961.

Monthly reports on food stockpiles are made voluntarily by warehousemen. Some 200 have contributed data for over 45 years.

Melvin R. Banks
Statistical Reporting Service

LIVESTOCK-POULTRY INVENTORY

Livestock and poultry on U.S. farms and ranches on January 1 of this year were worth \$15.7 billion, 9 percent below a year earlier.

The number of cattle and calves on January 1, 1964, was a new record—106.5 million head, up 3 percent from a year earlier.

The inventory of milk cows and heifers 2 years old and older, decreased 3 percent to 18.1 million head, the lowest figure since 1905. The number of beef cows increased 6 percent.

The Nation's farms had 56 million hogs and pigs, a decline of 5 percent.

The number of sheep and lambs was down 6 percent to 28.2 million head, the smallest inventory since records began in 1867.

There were 370.5 million chickens on farms, 1 percent more than on January 1, 1963. The number of turkeys decreased 2 percent to 6.3 million.

Emmett B. Hannawald
Statistical Reporting Service

CROPLAND OF THE WORLD . . .

HOW IT IS BEING USED

The earth's land surface totals nearly 33 billion acres. Of this, about 3 billion acres, or one-tenth, is cropland. The harvested acreage in any given year is much less than 3 billion acres—usually about 2.3 billion acres. The difference is accounted for by land in fallow, crop failure, and omission of minor crops.

Most of the world's cropland is used to produce grain. Harvested grain acreage amounts to over 1.6 billion acres, or about 71 percent of the total.

Wheat alone accounts for 22 percent, or one-fifth. Although wheat occupies over 500 million acres, compared with 290 million acres for rice, rice supplies a slightly greater share of man's food energy supply. Rice yields an average of 1,800,000 calories per acre, compared with 960,000 calories per acre for wheat.

Roots and tubers, a category including potatoes, sweetpotatoes, and cassava, account for about 5 percent of all

cropland. The land producing sugar, almost evenly divided between sugarcane and sugar beets, amounts to 1.5 percent of the total area. A great bulk of all cropland, about three-fourths of it, is used to produce the starchy foods discussed above.

Just over 7 percent of the world's crop area produces oilseeds. Soybeans, grown mostly in the United States and mainland China, are the principal oilseed, followed by peanuts, rapeseed, and sunflowers. Fibers, mostly cotton, occupy nearly 5 percent of the total.

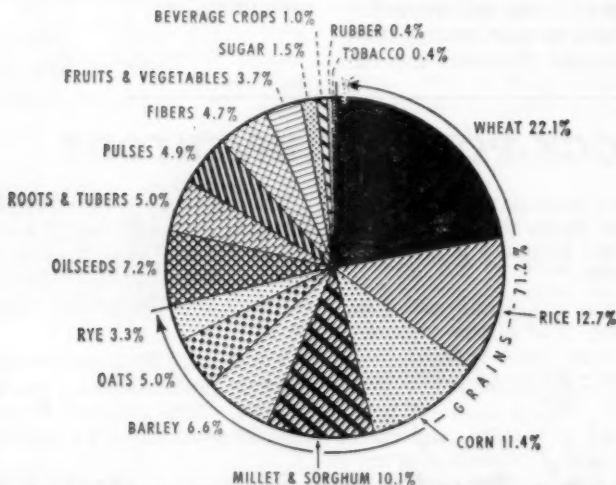
Beverage crops—coffee, tea, and cocoa—although they loom large in world agricultural trade, occupy only 1 percent of the cropland area.

Nonfood crops such as cotton, tobacco, and rubber are planted on about 7 percent of the cropped area. Stated otherwise, well over nine-tenths of the world's cropland produces edible crops.

Lester R. Brown
Economic Research Service

WORLD HARVESTED AREA OF PRINCIPAL CROPS

Excluding Forage and Fodder Crops



1964 Turkey Crop Up 4 Percent

The Nation's turkey growers intend to produce 4 percent more turkeys this year than in 1963.

Production of heavy breeds would increase 4 percent with the number of heavy whites increasing 13 percent and other heavy breeds dropping 2 percent. An increase of 6 percent is planned for light breeds.

If growers carry out their intentions, the 1964 turkey crop will total about 97 million head, almost 4 million more than in 1963.

Increased production is planned in all regions of the country—20 percent in the South Central States, 7 percent in the South Atlantic States, 2 percent in the North Atlantic and East North Central States, and 1 percent in the West North Central and Western States.

Present plans indicate that heavy white breeds will account for about 42 percent of all heavies in 1964, compared with 38 percent in 1963 and 37 percent in 1962. The number of heavy whites expected to be raised in 1964 is more than last year in all regions of the Nation except the North Atlantic.

Growers intend to raise 2 percent fewer bronze and other heavy breed turkeys. Decreases are 4 percent in the West North Central and West, and 10 percent in the East North Central regions. These decreases are partially offset by increases of 9 percent in the North Atlantic and South Atlantic and 3 percent in the South Central regions.

The number of light breed turkeys is expected to be up 6 percent from last year. Planned increases are 69 percent in the South Central, 16 percent in the North Atlantic, 12 percent in the East North Central, and 6 percent in the South Atlantic. Decreases expected are 15 percent in the Western States and 4 percent in the West North Central regions.

Herbert Walters
Statistical Reporting Service

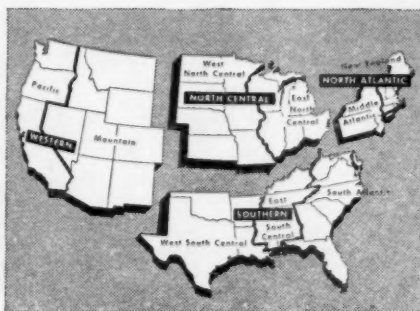
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